HOUSING MARKET INFORMATION

HOUSING NOW
Charlottetown CA

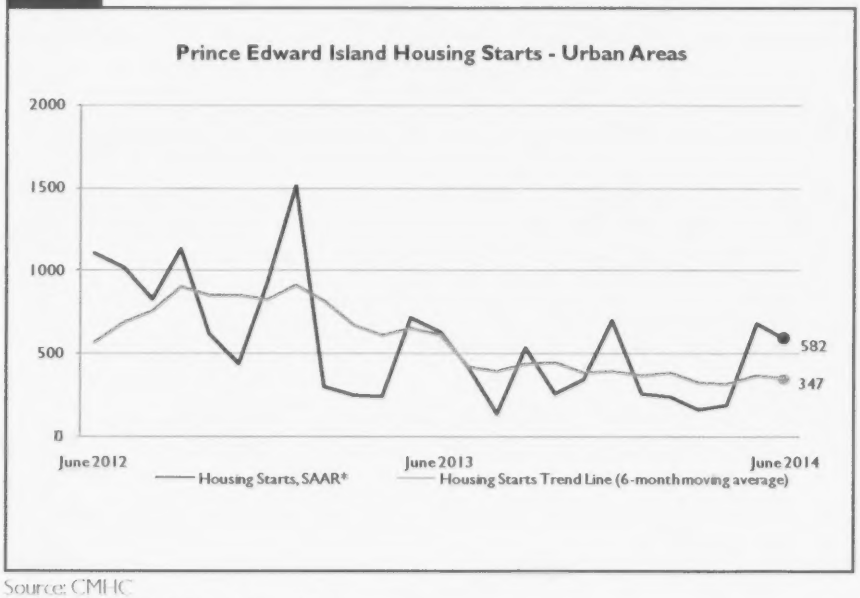
CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Third Quarter 2014

Highlights

- Housing starts trend lower during the second quarter of 2014
- Fewer MLS® sales
- Average price of new a home continues to rise

Figure 1



Source: CMHC

*SAAR: Seasonally Adjusted Annual Rate

The seasonally adjusted annual rate (SAAR) is a monthly figure for starts adjusted to remove normal season variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment allows for a comparison from one season to the next and from one month to the next. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace was maintained for 12 months. This facilitates comparison of the current pace of activity to annual forecasts as well as to historical annual levels.

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Figure 2

Source: CMHC

Housing starts in Prince Edward Island were trending at 347 units in June compared to 365 in May according to Canada Mortgage and Housing Corporation (CMHC). The trend is a six month moving average of the monthly seasonally adjusted annual rates (SAAR)[1] of housing starts.

New Home Market

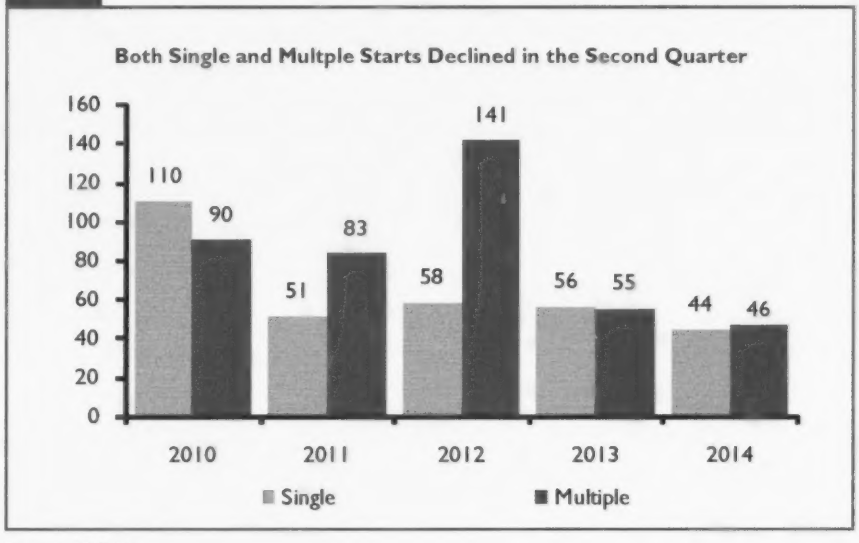
From 2009 to the first half of 2013, the level of rental apartment construction in Charlottetown was well above the ten-year average, with more than 1,200 units started over this period of time. This elevated level of rental starts was supported by high levels of in-migration, due to the Provincial Nominee program, and low borrowing costs. The current supply of units has outpaced demand, resulting in a steady rise in the vacancy rate. The Spring 2014 Rental Market Survey found that the vacancy rate was 8.7 per cent in Charlottetown. In 2014, the pace of purpose built rental construction slowed in response to the higher vacancy rate. The homeownership market, consisting mainly of single, semi and row units, also recorded declining activity in the first half of 2014. The softening of the new home market is largely due to weaker in-migration and rising new home prices. From 2006 to 2013, the province welcomed almost 8,000 new residents, due to the Provincial Nominee Program. The conclusion of this program last year reduced demand for housing.

In the second quarter, the Charlottetown area recorded 90 total starts, versus 111 during the same period in 2013. Single starts recorded the largest decline in the second quarter, dropping from 56 units last year to 44 in 2014. The decline in the first two quarters of this year, follows the larger overall trend of fewer single starts observable since 2004.

On a year-to-date basis, apartment starts are down by over 70 per cent. It is expected that apartment starts in 2014 will remain lower than in 2013, as the elevated vacancy rate pushes some developers to postpone planned projects.

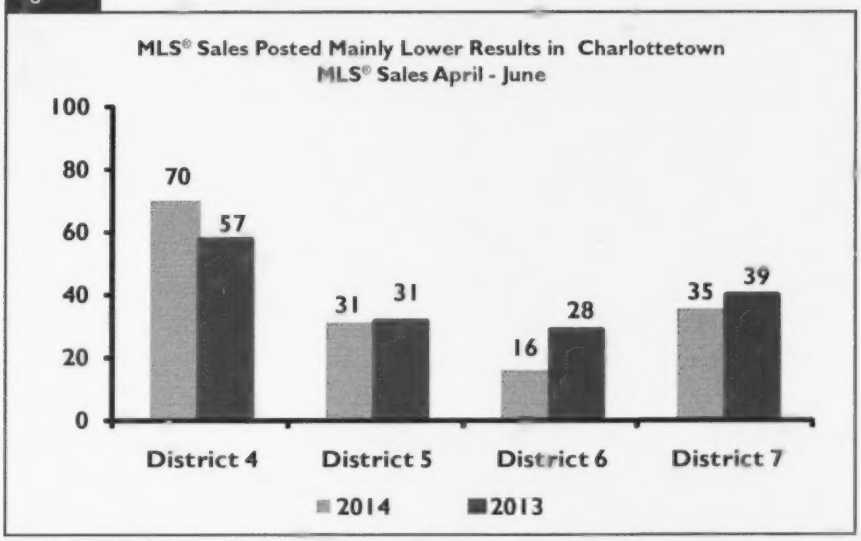
The cost of a new home in the Charlottetown area rose almost 13 per cent in first half of 2014 to $314,619. This represents a new record high for the capital region in the first half and continues the trend of rising new home prices. While some of the price increase can be attributed to rising land, labour and material costs, consumer preferences for larger homes has been the main driver behind higher prices. This trend

Figure 3



Source: CMHC

Figure 4



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Source : Greater Moncton REALTORS® du Grand Moncton/Saint John Real Estate Board/The Real Estate Board of the Fredericton Area Inc.

is more apparent when the actual new home price increases are compared to Statistics Canada's New House Price Index (NHPI), which measures the increase in costs when building the same home year-over-year. Over the past ten years the increase in the actual new home price has consistently outpaced the NHPI. This suggests that consumer preferences for larger, more elaborate homes continue to result in the average price rising faster than the new home price index.

Existing Home Market

In 2013, total sales declined by 14 per cent reaching the lowest level since 1997. The average sale price also decreased marginally in 2013, resulting in the first year-over-year decline since 1998. This trend has continued into 2014, with sales continuing to decline and prices showing little change. In the second quarter of 2014, sales in the Charlottetown area declined by two percent, while the average price was up by a modest one per cent.

In the Capital Region, second quarter submarket sales posted mixed results with half of the submarkets that make up the Charlottetown area posting declines. For the second quarter in a row, District 4 recorded the only increase in unit sales, with 70 units compared to 57 units in 2013. District 5 recorded 31 sales, which matched the 2013 total. Districts 6 and 7 posted declines, with sales slipping by 12 and 4 sales to 16 and 35 sales, respectively. New listings increased by nine per cent in the second quarter resulting in a new high of 375 units listed. The recent increase in new listings, combined with weak sales activity, has resulted in buyers' market conditions in Charlottetown since late 2013. This represents the first time the local market has been classified as a buyers' market since the late 1990s. Buyers' market conditions typically entail more housing choices for prospective homebuyers, slower price growth and longer selling times.

The Capital Region saw the average sale price increase by one per cent in the second quarter of 2014. For the first half of the year, the results are similar with an overall price increase of two per cent. At the submarket level, three of the four districts recorded decreases in the second quarter, but the increase in price in District 4 pushed the overall average sale price higher. This increase was the result of a larger share of above average priced homes in the district during the first two quarters of 2014. District 7, the Stratford area, posted a decrease, with an average sale price of $230,514, or a one per cent decrease from the 2013 level. Districts 5 and 6 recorded declines during the second quarter of the year, with the average price falling by 4 and 16 per cent respectively.

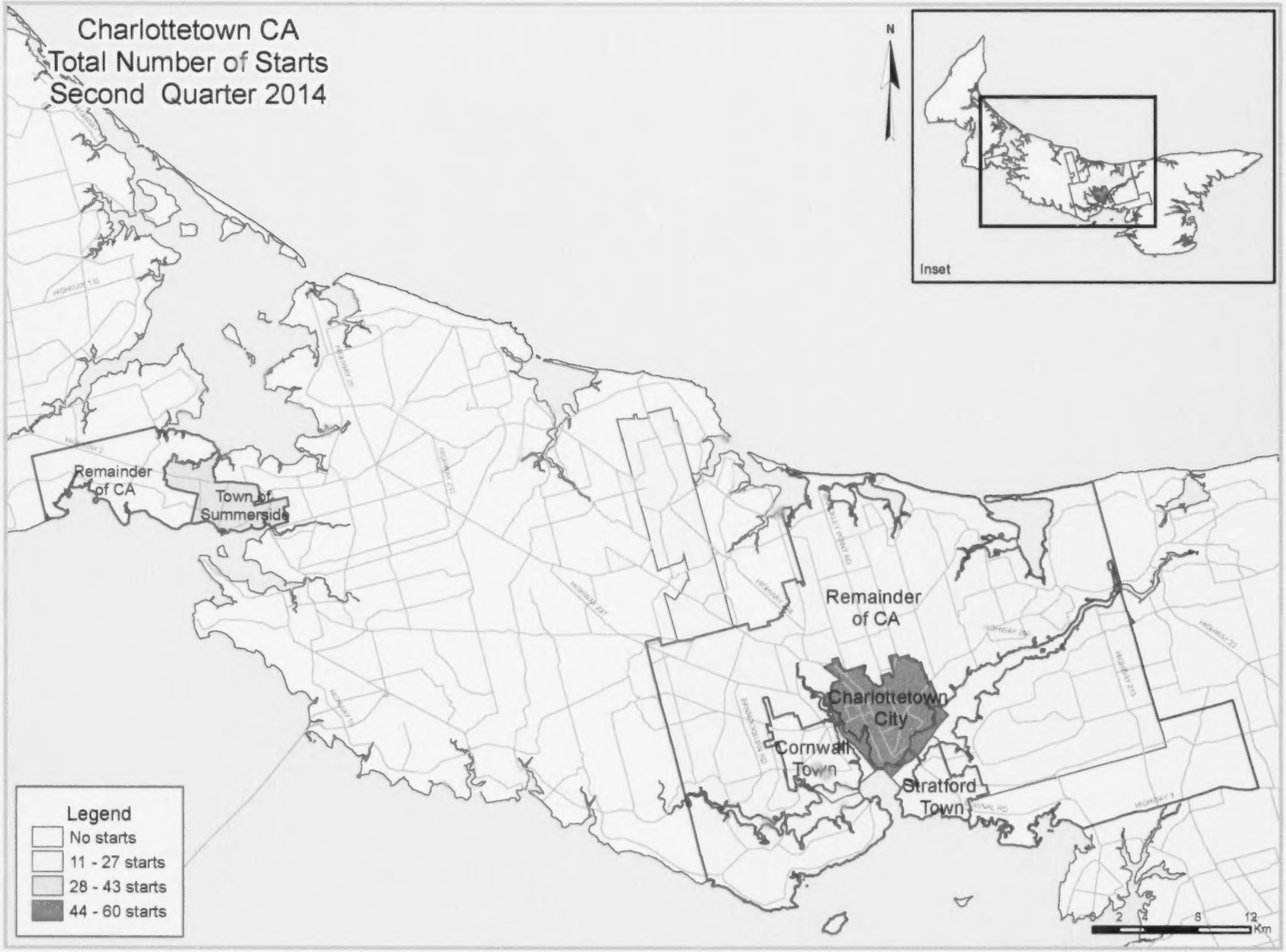
Island Regulatory and Appeals Commission

The Island Regulatory and Appeals Commission, or "IRAC" as it is commonly known in Prince Edward Island, was established in 1991 following the amalgamation of the former Public Utilities Commission, Land Use Commission and the Office of the Director of Residential Rental Property (Rentalsman).

Through consultation with industry stakeholders, IRAC determines the allowable annual rent increase. The allowable rent increase applies only to units currently leased, not vacant units, or new units. As such, once a unit is vacant, the landlord is free to make any changes deemed necessary to the rent before leasing the unit again. The Commission's jurisdiction also covers lot rental charges for land lease communities.

As many buildings in PEI include oil-fired heat in the rent, IRAC releases allowable rental increases for both heated and non-heated units. As fuel costs can change rapidly and unexpectedly, this mechanism provides an avenue for landlords to recover some of the heating costs incurred. This acknowledges that heating for landlords is one of the largest and more volatile operating costs and as such, is hard to factor into the rent.

The fact that PEI has rent control makes for predicitable increases in the average rent, as landlords will typically take the maximum allowable increases for the given year. However, over the past three years this has not been the case. The rising vacancy rate has increased the competition among landlords for tenants, and as a result limited their ability to pass rents increases onto their existing tenants.


Charlottetown CA
Total Number of Starts
Second Quarter 2014
N
Inset
Remainder of CA
Town of Summerside
Remainder of CA
Charlottetown City
Cornwall Town
Stratford Town
Legend
No starts
11 - 27 starts
28 - 43 starts
44 - 60 starts
2
8
12
Km

HOUSING NOW REPORT TABLES

Available in ALL reports:

1.1	Housing Activity Summary of CA
2	Starts by Submarket and by Dwelling Type – Current Month or Quarter
2.1	Starts by Submarket and by Dwelling Type – Year-to-Date
3	Completions by Submarket and by Dwelling Type – Current Month or Quarter
3.1	Completions by Submarket and by Dwelling Type – Year-to-Date
4	Absorbed Single-Detached Units by Price Range
5	MLS® Residential Activity
6	Economic Indicators

Available in SELECTED Reports:

1.2	Housing Activity Summary by Submarket
1.3	History of Housing Activity (once a year)
2.2	Starts by Submarket, by Dwelling Type and by Intended Market – Current Month or Quarter
2.3	Starts by Submarket, by Dwelling Type and by Intended Market – Year-to-Date
2.4	Starts by Submarket and by Intended Market – Current Month or Quarter
2.5	Starts by Submarket and by Intended Market – Year-to-Date
3.2	Completions by Submarket, by Dwelling Type and by Intended Market – Current Month or Quarter
3.3	Completions by Submarket, by Dwelling Type and by Intended Market – Year-to-Date
3.4	Completions by Submarket and by Intended Market – Current Month or Quarter
3.5	Completions by Submarket and by Intended Market – Year-to-Date
4.1	Average Price ($) of Absorbed Single-Detached Units

SYMBOLS

n/a	Not applicable
*	Totals may not add up due to co-operatives and unknown market types
**	Percent change > 200%
-	Nil
--	Amount too small to be expressed
SA	Monthly figures are adjusted to remove normal seasonal variation

Table 1.1a: Housing Activity Summary of Charlottetown CA
Second Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Q2 2014	44	6	0	0	0	0	0	40	90
Q2 2013	56	14	0	0	0	22	0	19	111
% Change	-21.4	-57.1	n/a	n/a	n/a	-100.0	n/a	110.5	-18.9
Year-to-date 2014	52	8	3	0	0	0	0	47	110
Year-to-date 2013	65	22	0	0	0	22	0	135	244
% Change	-20.0	-63.6	n/a	n/a	n/a	-100.0	n/a	-65.2	-54.9
UNDER CONSTRUCTION									
Q2 2014	90	18	9	0	0	59	0	119	295
Q2 2013	80	34	0	0	12	57	5	163	351
% Change	12.5	-47.1	n/a	n/a	-100.0	3.5	-100.0	-27.0	-16.0
COMPLETIONS									
Q2 2014	17	0	0	0	0	22	7	19	65
Q2 2013	55	10	4	0	12	0	2	105	188
% Change	-69.1	-100.0	-100.0	n/a	-100.0	n/a	**	-81.9	-65.4
Year-to-date 2014	51	2	0	0	0	22	12	74	161
Year-to-date 2013	84	24	4	0	12	0	13	113	250
% Change	-39.3	-91.7	-100.0	n/a	-100.0	n/a	-7.7	-34.5	-35.6
COMPLETED & NOT ABSORBED									
Q2 2014	6	0	0	0	0	20	n/a	n/a	26
Q2 2013	9	4	0	0	0	0	n/a	n/a	13
% Change	-33.3	-100.0	n/a	n/a	n/a	n/a	n/a	n/a	100.0
ABSORBED									
Q2 2014	36	1	0	0	0	2	n/a	n/a	39
Q2 2013	62	11	4	0	12	3	n/a	n/a	92
% Change	-41.9	-90.9	-100.0	n/a	-100.0	-33.3	n/a	n/a	-57.6
Year-to-date 2014	67	4	0	0	0	2	n/a	n/a	73
Year-to-date 2013	106	27	4	0	12	7	n/a	n/a	156
% Change	-36.8	-85.2	-100.0	n/a	-100.0	-71.4	n/a	n/a	-53.2

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1b: Housing Activity Summary of Summerside CA Second Quarter 2014									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Q2 2014	1	10	0	0	0	0	0	26	37
Q2 2013	4	2	0	0	0	0	2	22	30
% Change	-75.0	**	n/a	n/a	n/a	n/a	-100.0	18.2	23.3
Year-to-date 2014	3	10	0	0	0	0	8	26	47
Year-to-date 2013	5	2	0	0	0	0	11	23	41
% Change	-40.0	**	n/a	n/a	n/a	n/a	-27.3	13.0	14.6
UNDER CONSTRUCTION									
Q2 2014	5	12	0	0	0	0	8	26	51
Q2 2013	6	4	0	0	0	0	10	23	43
% Change	-16.7	200.0	n/a	n/a	n/a	n/a	-20.0	13.0	18.6
COMPLETIONS									
Q2 2014	2	0	0	0	0	0	0	22	24
Q2 2013	4	0	0	0	0	0	0	21	25
% Change	-50.0	n/a	n/a	n/a	n/a	n/a	n/a	4.8	-4.0
Year-to-date 2014	7	0	0	0	0	0	8	22	37
Year-to-date 2013	7	0	0	0	0	0	9	21	37
% Change	0.0	n/a	n/a	n/a	n/a	n/a	-11.1	4.8	0.0
COMPLETED & NOT ABSORBED									
Q2 2014	0	0	0	0	0	0	n/a	n/a	0
Q2 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ABSORBED									
Q2 2014	0	0	0	0	0	0	n/a	n/a	0
Q2 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Year-to-date 2014	0	0	0	0	0	0	n/a	n/a	0
Year-to-date 2013	0	0	0	0	0	0	n/a	n/a	0
% Change	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Second Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Charlottetown City									
Q2 2014	16	4	0	0	0	0	0	40	60
Q2 2013	18	10	0	0	0	22	0	1	51
Stratford Town									
Q2 2014	11	0	0	0	0	0	0	0	11
Q2 2013	17	2	0	0	0	0	0	18	37
Cornwall Town									
Q2 2014	0	0	0	0	0	0	0	0	0
Q2 2013	6	0	0	0	0	0	0	0	6
Remainder of the CA									
Q2 2014	17	2	0	0	0	0	0	0	19
Q2 2013	15	2	0	0	0	0	0	0	17
Charlottetown CA									
Q2 2014	44	6	0	0	0	0	0	40	90
Q2 2013	56	14	0	0	0	22	0	19	111
UNDER CONSTRUCTION									
Charlottetown City									
Q2 2014	23	12	9	0	0	35	0	112	191
Q2 2013	26	20	0	0	0	57	0	145	248
Stratford Town									
Q2 2014	27	2	0	0	0	24	0	0	53
Q2 2013	28	4	0	0	12	0	0	18	62
Cornwall Town									
Q2 2014	10	2	0	0	0	0	0	7	19
Q2 2013	5	8	0	0	0	0	5	0	18
Remainder of the CA									
Q2 2014	30	2	0	0	0	0	0	0	32
Q2 2013	21	2	0	0	0	0	0	0	23
Charlottetown CA									
Q2 2014	90	18	9	0	0	59	0	119	295
Q2 2013	80	34	0	0	12	57	5	163	351

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Second Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Charlottetown City									
Q2 2014	7	0	0	0	0	22	0	19	48
Q2 2013	17	8	4	0	0	0	2	87	118
Stratford Town									
Q2 2014	3	0	0	0	0	0	0	0	3
Q2 2013	18	2	0	0	12	0	0	18	50
Cornwall Town									
Q2 2014	4	0	0	0	0	0	4	0	8
Q2 2013	3	0	0	0	0	0	0	0	3
Remainder of the CA									
Q2 2014	3	0	0	0	0	0	3	0	6
Q2 2013	17	0	0	0	0	0	0	0	17
Charlottetown CA									
Q2 2014	17	0	0	0	0	22	7	19	65
Q2 2013	55	10	4	0	12	0	2	105	188
COMPLETED & NOT ABSORBED									
Charlottetown City									
Q2 2014	3	0	0	0	0	20	n/a	n/a	23
Q2 2013	1	4	0	0	0	0	n/a	n/a	5
Stratford Town									
Q2 2014	3	0	0	0	0	0	n/a	n/a	3
Q2 2013	6	0	0	0	0	0	n/a	n/a	6
Cornwall Town									
Q2 2014	0	0	0	0	0	0	n/a	n/a	0
Q2 2013	2	0	0	0	0	0	n/a	n/a	2
Remainder of the CA									
Q2 2014	0	0	0	0	0	0	n/a	n/a	0
Q2 2013	0	0	0	0	0	0	n/a	n/a	0
Charlottetown CA									
Q2 2014	6	0	0	0	0	20	n/a	n/a	26
Q2 2013	9	4	0	0	0	0	n/a	n/a	13

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.2: Housing Activity Summary by Submarket
Second Quarter 2014

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
ABSORBED									
Charlottetown City									
Q2 2014	14	1	0	0	0	2	n/a	n/a	17
Q2 2013	21	7	4	0	0	3	n/a	n/a	35
Stratford Town									
Q2 2014	9	0	0	0	0	0	n/a	n/a	9
Q2 2013	19	4	0	0	12	0	n/a	n/a	35
Cornwall Town									
Q2 2014	6	0	0	0	0	0	n/a	n/a	6
Q2 2013	4	0	0	0	0	0	n/a	n/a	4
Remainder of the CA									
Q2 2014	7	0	0	0	0	0	n/a	n/a	7
Q2 2013	18	0	0	0	0	0	n/a	n/a	18
Charlottetown CA									
Q2 2014	36	1	0	0	0	2	n/a	n/a	39
Q2 2013	62	11	4	0	12	3	n/a	n/a	92

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.3: History of Housing Starts of Charlottetown CA 2004 - 2013

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
2013	160	46	10	0	0	46	4	172	438
% Change	-28.6	-32.4	150.0	n/a	-100.0	31.4	-50.0	-30.9	-28.4
2012	224	68	4	0	24	35	8	249	612
% Change	11.4	54.5	-80.0	n/a	n/a	n/a	0.0	-4.6	14.6
2011	201	44	20	0	0	0	8	261	534
% Change	-19.6	4.8	-42.9	n/a	n/a	n/a	n/a	36.6	3.1
2010	250	42	35	0	0	0	0	191	518
% Change	-6.7	-8.7	0.0	n/a	-100.0	-100.0	-100.0	-21.4	-22.6
2009	268	46	35	0	19	46	12	243	669
% Change	-4.3	15.0	59.1	n/a	n/a	**	-40.0	**	57.0
2008	280	40	22	0	0	13	20	51	426
% Change	-5.1	-37.5	n/a	n/a	n/a	8.3	n/a	121.7	8.1
2007	295	64	0	0	0	12	0	23	394
% Change	6.9	45.5	n/a	n/a	n/a	-50.0	-100.0	-80.7	-15.6
2006	276	44	0	0	0	24	4	119	467
% Change	-8.3	-50.6	-100.0	n/a	-100.0	n/a	-75.0	**	4.2
2005	301	89	6	0	3	0	16	33	448
% Change	-9.1	64.8	-71.4	n/a	n/a	n/a	-65.2	-13.2	-8.6
2004	331	54	21	0	0	0	46	38	490

Source: CMHC (Starts and Completions Survey)

Table 2: Starts by Submarket and by Dwelling Type
Second Quarter 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	% Change
Charlottetown City	16	18	4	10	0	0	40	23	60	51	17.6
Stratford Town	11	17	0	2	0	0	0	18	11	37	-70.3
Cornwall Town	0	6	0	0	0	0	0	0	0	6	-100.0
Remainder of the CA	17	15	2	2	0	0	0	0	19	17	11.8
Charlottetown CA	44	56	6	14	0	0	40	41	90	111	-18.9

Table 2.1: Starts by Submarket and by Dwelling Type
January - June 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	% Change
Charlottetown City	18	23	4	16	3	0	40	131	65	170	-61.8
Stratford Town	13	19	2	2	0	0	0	18	15	39	-61.5
Cornwall Town	1	6	0	0	0	0	7	0	8	6	33.3
Remainder of the CA	20	17	2	4	0	0	0	8	22	29	-24.1
Charlottetown CA	52	65	8	22	3	0	47	157	110	244	-54.9

Source: CMHC (Starts and Completions Survey)

Table 2.2: Starts by Submarket, by Dwelling Type and by Intended Market
Second Quarter 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Charlottetown City	0	0	0	0	0	22	40	1
Stratford Town	0	0	0	0	0	0	0	18
Cornwall Town	0	0	0	0	0	0	0	0
Remainder of the CA	0	0	0	0	0	0	0	0
Charlottetown CA	0	0	0	0	0	22	40	19

Table 2.3: Starts by Submarket, by Dwelling Type and by Intended Market
January - June 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	3	0	0	0	0	22	40	109
Stratford Town	0	0	0	0	0	0	0	18
Cornwall Town	0	0	0	0	0	0	7	0
Remainder of the CA	0	0	0	0	0	0	0	8
Charlottetown CA	3	0	0	0	0	22	47	135

Source: CMHC (Starts and Completions Survey)

Table 2.4: Starts by Submarket and by Intended Market
Second Quarter 2014

Submarket	Freehold		Condominium		Rental		Total*	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Charlottetown City	20	28	0	22	40	1	60	51
Stratford Town	11	19	0	0	0	18	11	37
Cornwall Town	0	6	0	0	0	0	0	6
Remainder of the CA	19	17	0	0	0	0	19	17
Charlottetown CA	50	70	0	22	40	19	90	111

Table 2.5: Starts by Submarket and by Intended Market
January - June 2014

Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	25	39	0	22	40	109	65	170
Stratford Town	15	21	0	0	0	18	15	39
Cornwall Town	1	6	0	0	7	0	8	6
Remainder of the CA	22	21	0	0	0	8	22	29
Charlottetown CA	63	87	0	22	47	135	110	244

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type
Second Quarter 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	% Change
Charlottetown City	7	17	0	10	0	4	41	87	48	118	-59.3
Stratford Town	3	18	0	2	0	12	0	18	3	50	-94.0
Cornwall Town	4	3	0	0	4	0	0	0	8	3	166.7
Remainder of the CA	3	17	0	0	3	0	0	0	6	17	-64.7
Charlottetown CA	17	55	0	12	7	16	41	105	65	188	-65.4

Table 3.1: Completions by Submarket and by Dwelling Type
January - June 2014

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	% Change
Charlottetown City	17	27	2	16	1	4	96	87	116	134	-13.4
Stratford Town	13	26	0	6	0	12	0	18	13	62	-79.0
Cornwall Town	6	7	0	0	4	8	0	0	10	15	-33.3
Remainder of the CA	15	25	4	6	3	0	0	8	22	39	-43.6
Charlottetown CA	51	85	6	28	8	24	96	113	161	250	-35.6

Source: CMHC (Starts and Completions Survey)

Table 3.2: Completions by Submarket, by Dwelling Type and by Intended Market
Second Quarter 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Charlottetown City	0	4	0	0	22	0	19	87
Stratford Town	0	12	0	0	0	0	0	18
Cornwall Town	0	0	4	0	0	0	0	0
Remainder of the CA	0	0	3	0	0	0	0	0
Charlottetown CA	0	16	7	0	22	0	19	105

Table 3.3: Completions by Submarket, by Dwelling Type and by Intended Market
January - June 2014

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	0	4	1	0	22	0	74	87
Stratford Town	0	12	0	0	0	0	0	18
Cornwall Town	0	0	4	8	0	0	0	0
Remainder of the CA	0	0	3	0	0	0	0	8
Charlottetown CA	0	16	8	8	22	0	74	113

Source: CMHC (Starts and Completions Survey)

Table 3.4: Completions by Submarket and by Intended Market
Second Quarter 2014

Submarket	Freehold		Condominium		Rental		Total*	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Charlottetown City	7	29	22	0	19	89	48	118
Stratford Town	3	20	0	12	0	18	3	50
Cornwall Town	4	3	0	0	4	0	8	3
Remainder of the CA	3	17	0	0	3	0	6	17
Charlottetown CA	17	69	22	12	26	107	65	188

Table 3.5: Completions by Submarket and by Intended Market
January - June 2014

Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013	YTD 2014	YTD 2013
Charlottetown City	17	45	22	0	77	89	116	134
Stratford Town	13	30	0	12	0	20	13	62
Cornwall Town	6	7	0	0	4	8	10	15
Remainder of the CA	17	30	0	0	5	9	22	39
Charlottetown CA	53	112	22	12	86	126	161	250

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range
Second Quarter 2014

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $100,000		$100,000 - $149,999		$150,000 - $199,999		$200,000 - $249,999		$250,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Charlottetown City													
Q2 2014	0	0.0	0	0.0	1	7.1	5	35.7	8	57.1	14	264,450	254,293
Q2 2013	0	0.0	2	9.5	2	9.5	7	33.3	10	47.6	21	249,000	259,567
Year-to-date 2014	0	0.0	0	0.0	1	4.5	6	27.3	15	68.2	22	277,000	310,264
Year-to-date 2013	0	0.0	2	6.1	7	21.2	8	24.2	16	48.5	33	249,000	260,452
Stratford Town													
Q2 2014	0	0.0	0	0.0	0	0.0	2	22.2	7	77.8	9	--	--
Q2 2013	0	0.0	0	0.0	1	5.3	3	15.8	15	78.9	19	329,500	341,453
Year-to-date 2014	0	0.0	0	0.0	0	0.0	4	22.2	14	77.8	18	334,900	373,567
Year-to-date 2013	0	0.0	0	0.0	2	6.3	5	15.6	25	78.1	32	304,700	326,234
Cornwall Town													
Q2 2014	0	0.0	0	0.0	0	0.0	2	33.3	4	66.7	6	--	--
Q2 2013	0	0.0	1	25.0	0	0.0	2	50.0	1	25.0	4	--	--
Year-to-date 2014	0	0.0	0	0.0	0	0.0	3	42.9	4	57.1	7	--	--
Year-to-date 2013	0	0.0	2	28.6	0	0.0	3	42.9	2	28.6	7	--	--
Remainder of the CA													
Q2 2014	0	0.0	1	14.3	1	14.3	3	42.9	2	28.6	7	--	--
Q2 2013	0	0.0	0	0.0	3	16.7	4	22.2	11	61.1	18	279,450	281,550
Year-to-date 2014	0	0.0	1	5.0	3	15.0	9	45.0	7	35.0	20	249,350	270,735
Year-to-date 2013	0	0.0	0	0.0	6	17.6	11	32.4	17	50.0	34	257,450	265,218
Charlottetown CA													
Q2 2014	0	0.0	1	2.8	2	5.6	12	33.3	21	58.3	36	269,650	288,722
Q2 2013	0	0.0	3	4.8	6	9.7	16	25.8	37	59.7	62	279,000	288,423
Year-to-date 2014	0	0.0	1	1.5	4	6.0	22	32.8	40	59.7	67	269,900	314,619
Year-to-date 2013	0	0.0	4	3.8	15	14.2	27	25.5	60	56.6	106	269,450	278,548

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units Second Quarter 2014						
Submarket	Q2 2014	Q2 2013	% Change	YTD 2014	YTD 2013	% Change
Charlottetown City	254,293	259,567	-2.0	310,264	260,452	19.1
Stratford Town	--	341,453	n/a	373,567	326,234	14.5
Cornwall Town	--	--	n/a	--	--	n/a
Remainder of the CA	--	281,550	n/a	270,735	265,218	2.1
Charlottetown CA	288,722	288,423	0.1	314,619	278,548	12.9

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity in Urban Centres*

Submarket	Second Quarter 2014			Second Quarter 2013			% Change		
	Sales	Average Sale Price ($)	New Listings	Sales	Average Sale Price ($)	New Listings	Sales	Average Sale Price ($)	New Listings
Charlottetown CA**	152	206,899	375	155	205,694	345	-1.9%	0.6%	8.7%
District 4	70	222,139	147	57	207,249	132	22.8%	7.2%	11.4%
District 5	31	165,124	69	31	171,793	57	0.0%	-3.9%	21.1%
District 6	16	169,502	46	28	202,580	52	-42.9%	-16.3%	-11.5%
District 7	35	230,514	113	39	232,603	104	-10.3%	-0.9%	8.7%
Summerside CA	40	152,050	147	56	140,085	142	-28.6%	8.5%	3.5%
Total	192	195,472	522	211	188,281	487	-9.0%	3.8%	7.2%

Submarket	Year-to-date 2014			Year-to-date 2013			% Change		
	Sales	Average Sale Price ($)	New Listings	Sales	Average Sale Price ($)	New Listings	Sales	Average Sale Price ($)	New Listings
Charlottetown CA**	247	207,692	617	251	203,312	580	-1.6%	2.2%	6.4%
District 4	117	219,803	245	87	206,357	215	34.5%	6.5%	14.0%
District 5	50	165,380	117	58	173,291	104	-13.8%	-4.6%	12.5%
District 6	21	173,518	81	42	198,409	98	-50.0%	-12.5%	-17.3%
District 7	59	231,695	174	64	229,595	163	-7.8%	0.9%	6.7%
Summerside CA	67	151,592	219	90	141,567	215	-25.6%	7.1%	1.9%
Total	314	195,721	836	341	187,015	795	-7.9%	4.7%	5.2%

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
**District 4: Charlottetown City, Spring Park & West Royalty
**District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks
**District 6: Cornwall, North River & Winsloe
**District 7: Bunbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

Source: PEI Real Estate Association

Table 6: Economic Indicators
Second Quarter 2014

		Interest Rates			NHPI, Total, Charlottetown CMA 2007=100	CPI, 2002 =100	Prince Edward Island Labour Market			
		P & I Per $100,000	Mortgage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	Average Weekly Earnings ($) (P.E.I.)
			1 Yr. Term	5 Yr. Term						
2013	January	595	3.00	5.24	102.7	124.4	74.0	11.7	69.5	728
	February	595	3.00	5.24	102.7	125.9	75.4	11.6	70.7	724
	March	590	3.00	5.14	102.7	126.3	75.0	11.8	70.5	728
	April	590	3.00	5.14	103.0	127.8	75.0	11.3	70.1	731
	May	590	3.00	5.14	103.2	127.1	74.5	11.2	69.5	740
	June	590	3.14	5.14	103.4	127.1	73.4	10.9	68.2	739
	July	590	3.14	5.14	103.5	127.4	73.8	11.9	69.2	735
	August	601	3.14	5.34	103.5	127.8	74.0	10.6	68.4	727
	September	601	3.14	5.34	103.5	128.3	73.3	11.3	68.3	730
	October	601	3.14	5.34	103.4	128.3	74.5	10.7	68.9	733
	November	601	3.14	5.34	103.4	128.5	73.7	11.6	69.0	741
	December	601	3.14	5.34	103.4	127.8	73.6	11.6	68.8	743
2014	January	595	3.14	5.24	103.1	128.4	75	11.3	69.4	750
	February	595	3.14	5.24	102.7	129.2	74.7	11.5	69.6	763
	March	581	3.14	4.99	102.3	130.0	74.1	11.8	69.2	769
	April	570	3.14	4.79	102.3	129.6	72.9	11.7	68.0	767
	May	570	3.14	4.79	102.2	129.7	73.5	12.2	68.9	758
	June	570	3.14	4.79		129.6	74.2	9.8	67.7	754
	July									
	August									
	September									
	October									
	November									
	December									

"P & I" means Principal and Interest (assumes $100,000 mortgage amortized over 25 years using current 5 year interest rate)
"NHPI" means New Housing Price Index
"CPI" means Consumer Price Index
"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2011 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modeled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "**dwelling unit**", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "**start**", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "**under construction**" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "**completion**", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "**absorbed**" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect prices.

DWELLING TYPES:

A "**Single-Detached**" dwelling (also referred to as "**Single**") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A "**Semi-Detached (Double)**" dwelling (also referred to as "**Semi**") is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A "**Row (Townhouse)**" dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term "**Apartment and other**" includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The "**intended market**" is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree on integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A "**Rural**" area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

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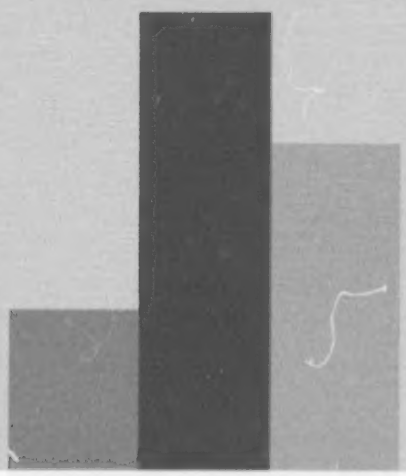

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